

ILLINOIS INTERNATIONAL PORT DISTRICT

Summary Record of Proceedings of the REGULAR BOARD MEETING May 17, 2019

The Regular meeting of the Board of Directors of the Illinois International Port District and Committee meetings were held Friday, May 17, 2019, at 3600 E. 95th Street, Chicago, Illinois.

The roll was called at 9:10 am. The following Directors were present: Michael Forde, Terry Fitzmaurice, Ray Suarez, Aaron Del Mar, Charles Bowen, Henry Wisniewski, Paul Chialdikas, and William Habel. A quorum was present. Terry Sullivan attended via teleconference.

Also present: Clayton Harris III, Executive Director; Counsel Brad Smith, Neal and Leroy; Kurt Oelerich, Treasurer.

General public present:

Alderwoman Susan Garza, James Brusslan, Levenfeld Pearlstein, LLC; Edward Garske, Carlson Enviromental; Tim Dunn, COFCO; Tim Hartnett and Leon Athas, Draper & Kramer; Steve Zamick, Zamcor Group; Mike Garthwaite, Kinder Morgan, Greg West, Kinder Morgan, Tim Berens Kinder Morgan Commercial Group, and Scott Thompson; Commercial Director, Kinder Morgan.

Chairman Forde requested a motion to suspend the order of the Board meeting and enter into the Leases and Agreements Committee meeting followed by the Finance and Personnel Committee meeting. The motion was made by Mr. Fitzmaurice and seconded by Mr. Del Mar, and the motion carried unanimously.

Due to the length of the Agenda and appreciating the time of the public attending the meeting, Chairman Forde made a motion to suspend the order of the Committee meetings to offer the public in attendance the opportunity speak prior to the start of the Committee and Board Meetings. The motion was seconded by Mr. Fitzmaurice and the motion carried unanimously.

Public Comments were made at this time. (See Public Comment Section)

During Public Comment, Director Sullivan requested to join the meeting via teleconference. Chairman Forde made a motion to allow Director Sullivan to attend the meeting via teleconference. The motion was seconded by Mr. Del Mar and the motion passed unanimously.

SUMMARY REPORT ON STANDING COMMITTEES

Committee Members Present:

Michael Forde
Paul Chialdikas
Chuck Bowen
Henry Wisniewski
Ray Suarez
Terry Fitzmaurice

Others Present:

Clayton Harris III, Executive Director
William Habel
Terry Sullivan (via teleconference)
Aaron Del Mar
Brad Smith, Neal & Leroy
Kurt Oelerich, Treasurer

LEASES AND AGREEMENTS COMMITTEE

The Leases and Agreements Committee was held on Friday, May 17, 2019.

EXECUTIVE SESSION

Chairman Forde made a motion to enter Executive Session to discuss: Clean Harbors, Tenant Update, Letter of Intent, Leases and Update on RFPs. The motion was seconded by Mr. Fitzmaurice and the motion carried unanimously.

Old Business

Clean Harbors Update - Executive Session

Vacant Land and Tenant Updates - Executive Session

Letter of Intent, JLL – Executive Session

Update on Master Lease - Executive Session

Following discussion, Chairman Forde requested a motion to exit Executive Session. The motion was made by Mr. Del Mar seconded by Chairman Forde and the motion passed unanimously.

After the conclusion of Executive Session, the Leases and Agreements Committee continued.

Chairman Forde reported the Committee recommended the Board approve Executive Director Harris III and the Chairman to enter discussions with CRL and COFCO to assist in arriving at a solution to COFCO's immediate issues as well as CRL's long term operation at the Port.

Chairman Forde reported that after lengthy discussion, the Committee recommended the Board approve the Settlement Agreement with Clean Harbors and have Chairman Forde sign the Agreement.

There being no further business, Chairman Forde closed the Leases and Agreements Committee Meeting and opened the Finance and Personnel Committee Meeting.

FINANCE AND PERSONNEL COMMITTEE
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The Finance and Personnel Committee Meeting was held on Friday, May 17, 2019.

Monthly Financial Reports and Financial Update

Treasurer Oelerich presented the April 2019 financial reports for review. A number of points were noted and discussed, including:

- The April 2019 revenue and year to date 2019 Revenue fell slightly below the budgeted amount.
- The April 2019 monthly total expense and year to date 2019 results fell well below the budgeted monthly amount.
- The April 2019 Net Income exceeded the budgeted amount. Net Income for the year to date is above the budgeted amount.

Treasurer Oelerich reported Harborside is opened and has exceeded prior year revenues to-date.

Following discussion, the Committee recommended approval of the April Financial Reports by the Board of Directors.

Old Business

None

New Business

None

There being no further business for the Finance and Personnel Committee, Chairman Forde closed the Finance and Personnel Committee and opened the Regular Board Meeting.

REGULAR BOARD MEETING

The following Directors were present: Michael Forde, Terry Fitzmaurice, Charles Bowen, Ray Suarez, Henry Wisniewski, Paul Chialdikas, William Habel, and Aaron Del Mar. A quorum was present. Terry Sullivan attended via teleconference.

ADOPTION OF MINUTES – Board Minutes April 18, 2019

The Minutes of the April 18, 2019 Board Meeting were presented. Chairman Forde requested a motion to approve the April Minutes from the public Board Meeting. The motion was made by Mr. Suarez, the motion was seconded by Chairman Forde and the motion passed unanimously.

Leases and Agreements Committee Report – Items Requiring Action

Clean Harbors

Chairman Forde reported after a lengthy discussion, the Committee recommended the Board approve the Settlement Agreement with Clean Harbors and signed by Chairman Forde. Chairman Forde made a motion to approve the Settlement Agreement with Clean Harbors, the motion was seconded by Mr. Fitzmaurice and the motion passed unanimously.

COFCO/CRL

Chairman Forde reported the Committee recommended the Board approve Executive Director Harris III and Chairman Forde to enter discussions with CRL and COFCO to assist in arriving at a solution to COFCO's immediate issues as well as CRL's long term operation at the Port. Chairman Forde made a motion to approve Executive Director Harris III and Chairman Forde to enter discussions with CRL and COFCO. The motion was seconded by Mr. Chialdikas and the motion passed unanimously.

PUBLIC COMMENT

Alderwoman Garza requested the status of the Master Lease negotiations with Savage Enterprises. Alderwoman Garza repeated her concerns regarding the Master Lease and transparency. Alderwoman Garza indicated she believed it was essential to await the new mayoral administration's review and input before any decision is made regarding the Master Lease. Chairman Forde indicated the Master Lease action is on hold until the new administration has the opportunity to review. Alderwoman Garza also indicated the new administration has committed to investment in the 10th Ward. Alderwoman Garza repeated her continued concern with the 5,000 individuals employed at the Port and the potential impact of a Master Lease. Alderwoman Garza stated she is against privatization and noted transparency is essential.

Tim Dunn of COFCO summarized market changes in the industry including soybeans replacement of wheat. COFCO had originally requested the Board approve the COFCO project of unloading the wheat from the grain elevator and replacing it with soybeans. The initial request involved the transfer of the products via barge. Mr. Dunn has now indicated that barge transfer is cost prohibitive and COFCO is now requesting approval of the transfer of the grain via rail using CRL (Omni Tracks). He noted using CRL is significantly less costly than using South Shore rail. Mr. Dunn indicated work on the rail would be needed prior to the transfer and COFCO would assume this cost. Mr. Dunn also noted he is aware of CRL's existing issues of back-rent due to the Port, and is asking that the Board give CRL permission to serve COFCO. The Board indicated they will work to accommodate COFCO, however, CRL's history with the Port is concerning. Mr. Dunn requested a response by June 1, if possible.

Tim Hartnett and Leon Athas of Draper & Kramer and Steve Zamick of Zamcor Group introduced themselves to the Board. They were part of the IIPD Crossings team to bid on the Master Lease. Mr. Zamick indicated their continued interest in a partnership to expand and redevelop the IIPD, outside of the Master Lease. Mr. Zamick stated they have received much interest from the market to invest in the redevelopment of the Port, including global companies. Mr. Zamick noted that investment from these global companies is related to international business trade, and further noted investment would be exclusively in American companies and American workers. This type of investment would provide new international exposure to the Port's current tenants. They see redevelopment and growth not only in manufacturing but in commercial uses, including hotels. Mr. Zamick indicated they would appreciate the opportunity to meet with the Board to provide detail on the investment potential at the Port.

Mike Garthwaite, Tim Berens, Scott Thompson and Greg West of Kinder Morgan introduced themselves to the Board and summarized Kinder Morgan's operation and reported their purpose at the meeting was twofold:

- 1) Renewal of Kinder Morgan's lease. Kinder Morgan is requesting to begin discussions and negotiations for a long-term lease.
- 2) Request approval of a storage tank project on the Kinder Morgan site. Board members discussed timing, contractors, union commitment and prevailing wage requirements.

The Kinder Morgan representatives indicated they see the long-term viability of the Port and Kinder Morgan's long term occupancy at the Port.

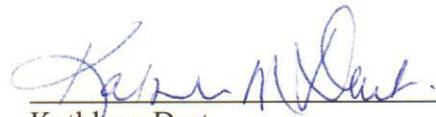
ADJOURNMENT

With no other business before the Board, Chairman Forde made a motion to adjourn. The motion was seconded by Mr. Fitzmaurice, and the motion passed unanimously.

The next Committee meetings and regular Board meeting will take place on Friday, June 21, 2019. The meetings will be held at 9:00 am at 3600 E. 95th Street, Chicago, IL.



Michael Forde
Chairman



Kathleen Dart
Secretary